

HOUSE BILL 817

Q8, Q2

01r2310
CF 01r2255

By: **Delegates Frick, Barve, Branch, Cardin, Hixson, Miller, Minnick, Myers, Rice, Ross, Shank, and Stukes**

Introduced and read first time: February 9, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Personal Property Tax – Heavy Equipment**

3 FOR the purpose of authorizing a county or municipal corporation to impose a tax, not
4 exceeding a certain amount, on the gross receipts from the short-term lease or
5 rental of certain heavy equipment property under certain circumstances;
6 requiring a person who owns a business with gross receipts subject to the tax to
7 collect and remit the tax by a certain day each quarter; providing that certain
8 heavy equipment property is not subject to property tax; providing for a delayed
9 effective date; and generally relating to the taxation of certain heavy equipment
10 property.

11 BY adding to
12 Article 24 – Political Subdivisions – Miscellaneous Provisions
13 Section 9–609
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2009 Supplement)

16 BY adding to
17 Article – Tax – Property
18 Section 7–243
19 Annotated Code of Maryland
20 (2007 Replacement Volume and 2009 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

24 **9–609.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
2 **MEANINGS INDICATED.**

3 **(2) (I) "HEAVY EQUIPMENT PROPERTY" MEANS**
4 **CONSTRUCTION, EARTHMOVING, OR INDUSTRIAL EQUIPMENT THAT IS MOBILE**
5 **INCLUDING ANY ATTACHMENT FOR THE HEAVY EQUIPMENT.**

6 **(II) "HEAVY EQUIPMENT PROPERTY" INCLUDES:**

7 **1. A SELF-PROPELLED VEHICLE THAT IS NOT**
8 **DESIGNED TO BE DRIVEN ON A HIGHWAY; OR**

9 **2. INDUSTRIAL ELECTRICAL GENERATION**
10 **EQUIPMENT, INDUSTRIAL LIFT EQUIPMENT, INDUSTRIAL MATERIAL HANDLING**
11 **EQUIPMENT, OR OTHER SIMILAR INDUSTRIAL EQUIPMENT.**

12 **(3) "SHORT-TERM LEASE OR RENTAL" MEANS THE LEASE OR**
13 **RENTAL OF HEAVY EQUIPMENT PROPERTY FOR A PERIOD OF 365 DAYS OR LESS.**

14 **(B) (1) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL**
15 **CORPORATION MAY IMPOSE, BY ORDINANCE OR RESOLUTION, A TAX AT A RATE**
16 **NOT TO EXCEED 2% ON THE GROSS RECEIPTS FROM THE SHORT-TERM LEASE**
17 **OR RENTAL OF HEAVY EQUIPMENT PROPERTY BY A PERSON WHOSE PRINCIPAL**
18 **BUSINESS IS THE SHORT-TERM LEASE OR RENTAL OF HEAVY EQUIPMENT**
19 **PROPERTY AT RETAIL.**

20 **(2) THE GROSS RECEIPTS ARE SUBJECT TO THE TAX UNDER**
21 **PARAGRAPH (1) OF THIS SUBSECTION IF THE PLACE OF BUSINESS FROM WHICH**
22 **THE HEAVY EQUIPMENT PROPERTY IS DELIVERED IS LOCATED IN THE COUNTY**
23 **OR MUNICIPAL CORPORATION.**

24 **(3) A PERSON IS IN THE PRINCIPAL BUSINESS OF SHORT-TERM**
25 **LEASE OR RENTAL OF HEAVY EQUIPMENT PROPERTY IF:**

26 **(I) THE LARGEST SEGMENT OF TOTAL RENTAL RECEIPTS**
27 **OF THE BUSINESS IS FROM THE SHORT-TERM LEASE OR RENTAL OF HEAVY**
28 **EQUIPMENT PROPERTY; AND**

29 **(II) THE BUSINESS IS DESCRIBED UNDER CODE 532412 OF**
30 **THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM AS PUBLISHED BY**
31 **THE UNITED STATES CENSUS BUREAU.**

32 **(4) IF A COUNTY IMPOSES THE TAX AUTHORIZED UNDER THIS SECTION,**
33 **THE RATE IMPOSED BY A MUNICIPALITY IN THE COUNTY MAY NOT EXCEED THE**

1 RATE SO THAT, WHEN COMBINED WITH THE COUNTY TAX, THE TOTAL TAX RATE
2 WILL EXCEED 2%.

3 (C) (1) A PERSON WHO OWNS A BUSINESS WITH GROSS RECEIPTS
4 SUBJECT TO THE TAX UNDER SUBSECTION (B) OF THIS SECTION SHALL COLLECT
5 AND REMIT THE TAX TO THE COUNTY OR MUNICIPAL CORPORATION.

6 (2) THE TAX IS PAYABLE QUARTERLY AND DUE BY THE LAST DAY
7 OF THE MONTH AFTER THE END OF THE QUARTER.

8 Article – Tax – Property

9 7-243.

10 (A) IN THIS SECTION, “HEAVY EQUIPMENT PROPERTY” HAS THE
11 MEANING STATED IN ARTICLE 24, § 9-609 OF THE CODE.

12 (B) HEAVY EQUIPMENT PROPERTY IS NOT SUBJECT TO THE PROPERTY
13 TAX IF THE OWNER HAS GROSS RECEIPTS FROM THE SHORT-TERM LEASE OR
14 RENTAL OF THE HEAVY EQUIPMENT PROPERTY THAT WOULD BE SUBJECT TO
15 THE GROSS RECEIPTS TAX AUTHORIZED UNDER ARTICLE 24, § 9-609 OF THE
16 CODE, WHETHER OR NOT THE PLACE OF BUSINESS FROM WHICH THE HEAVY
17 EQUIPMENT PROPERTY IS DELIVERED IS LOCATED IN A COUNTY OR MUNICIPAL
18 CORPORATION THAT IMPOSES THE GROSS RECEIPTS TAX.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2011.